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FM AMEMBASSY RIYADH
TO RUEHC/SECSTATE WASHDC PRIORITY 1785
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

UNCLAS RIYADH 001422

SENSITIVE
SIPDIS

STATE PASS TO USTR FOR CHRIS WILSON AND JASON BUNTIN
STATE PASS TO DOC FOR STEVEN GARRETT
DEPT FOR NEA/ARP

E.O. 12958: N/A
TAGS: [ETRD](#) [KIPR](#) [ECON](#) [EINV](#) [PREL](#) [SA](#)
SUBJECT: INDUSTRY LAUDS MILESTONE EXCLUSIVE MARKETING
RIGHTS APPROVAL

REF: A. 08 RIYADH 284
[1](#)B. 09 RIYADH 290
[1](#)C. 09 RIYADH 386
[1](#)D. 09 RIYADH 524
[1](#)E. 09 RIYADH 1366
[1](#)F. 09 RIYADH 1375

[1](#)1. (SBU) Chair of the inter-ministerial IPR Committee
Mohammad Al-Aiyash told EconCouns October 12 that King
Abdullah approved a granting of Exclusive Marketing Rights
(EMR) to pharmaceutical companies under a Proposal first put
forth by USTR in 2007. The King's decision formally brings
the protection into effect, which directs the Directorate of
Industrial Property at the King Abdulaziz City for Science
and Technology (KACST) to provide protection to those drugs
registered before the implementation of the new Saudi patent
system in 2004.

[1](#)2. (SBU) Industry representatives lauded the EMR approval in
a meeting with visiting AUSTR Chris Wilson on October 18,
saying it was a "great achievement" and "a milestone" for the
pharmaceutical industry in Saudi Arabia. Once fully
implemented, U.S. companies estimate the EMR agreement will
increase their annual revenue approximately \$100 to \$120
million.

[1](#)3. (SBU) Notification of the decree has been sent to the
Ministry of Commerce and Industry, the Ministry of Health,
the Saudi Food and Drug Authority (SFDA), and KACST,
according to Al-Aiyash. As all pharmaceutical licensing has
moved from the Ministry of Health to the SFDA in July, the
Ministry of Commerce will officially forward the notification
to the SFDA after which the SFDA will publish it in the
official gazette. AUSTR Wilson asked Deputy Minister of
Commerce and Industry Abdullah Al-Hamoudi for a copy of the
EMR once published, as well as an outline of next steps to
fully implement the EMR.

4 (SBU) Comment: This action by the King is an important
step, filling a gap left by the 2004 patent law. Embassy
Riyadh will continue to work with the Ministry of Commerce
and Industry to ensure all remaining steps are taken to
enforce this welcome decision. End comment.

[1](#)5. (U) AUSTR Chris Wilson cleared on this cable.
SMITH